



More traffic... more sales... more often

MDJV Questions and Answers

February 15, 2012

Business Operations

Should we get WP blog and when?

It isn't necessary and how to set up and use a blog is not covered in the program.

Do we need business cards and stationary?

I personally do not use business cards or stationary. When the rare circumstance calls for stationary, I simply use something similar to the header on this document.

Since nearly all of your contact with clients is by phone and email, I've never found it necessary to print business cards.

Do we function as independent practitioners or some sort of loosely non-managed affiliate of yours?

You own and operate your own business and are not associated with my business in any way.

Should we incorporate?

You can if you'd like, but it isn't necessary. I'd suggest talking with your accountant and asking what the best form of business entity is for your state (or country if you're outside the U.S.)

Any special email approach suggested?

Only the use of email that's covered in the training materials.

Selecting the right partners

I'd like to introduce a prospect's product that makes coffee healthier. The distributor is an MLM and I'd like to approach large producers like Starbucks.

This one is a set up for disaster. First, to be perfectly candid, I *never* do business with an MLM. Most are unethical or have horrible reputations. And I can assure you that no major corporation,

as well as few legitimate companies of any size, will even listen if you're proposing a deal that involves an MLM.

Second, it appears that you have not yet completed the training materials. In the materials, I state a number of times that the ideal businesses to approach for both sides are those with annual revenue in the \$2 million to \$15 million range. Fortune 500 corporations and multi-billion dollar corporations will not speak with you.

To get your feet wet, could you start out with small business and have them give out gift certificates? For example say a landscaping company that works for higher end clients (not your usual grass and trimming company etc,) and they partner up with a high end interior design company and they both give their clients gift certificates.

For example, the landscaper gives his clients a gift certificate for a free \$200 interior design consultation, and the interior designer gives their clients the same thing a gift certificate for a \$150 evaluation on their landscaping.

Since I bought these two companies together, and the idea of the gift certificates I'd get an ongoing 20% of the profit from the new customers they got from the certificates. These are strictly gift certificates mind you, not coupons for half off, two for one deals or anything like that.

Would that be a good idea for just starting out, and having testimonials from those clients for later when you start doing bigger deals, or would you advise against this.

I see tons of businesses' every day that can offer these type of complimentary services but their just not doing it. It seems like an opportunity going to waste.

I like the way you're thinking! Just make sure both sides understand the need to accurately track the business that comes from this and compensate you properly.

Brokering leads

I understand the highest potential value for a dead lead would be to the company's direct competitors as you said, but is there a reason not to also use the dead leads for a complementary non-competing product/ service offer, just as you would with a company's customer list? Just thinking of a way to spin it in the event a client flat-out refuses to send leads to their competition.

What do you think of positioning it this way: If a lead is "dead" to your company, but the prospect is still interested in purchasing a similar item, that sale is going to your competitor. Why not capture some of your competition's profits?

Absolutely. Why not do both?

Conversion rates

In the training materials, you mention a 30% conversion rate. Is that average?

There really is no average – it usually is affected greatly by the list owner’s relationship and credibility with their list. I’ve seen offers convert from 5% to as much as 80%. But I generally use the wording “up to 30%”. Anything more is then gravy.

Marketing to associations

What have you found to be the best national networks or associations that have brought you the most lifetime value and fun?

In general, I strongly prefer for profit businesses over associations, which are almost always set up as non-profits. Associations have very little understanding and appreciation of marketing, so they’re less interested and more difficult to convince to do a deal.

Companies that actively spend \$2,500 or more per month on marketing have a good understanding of marketing and a strong desire to improve their sales and profits. This makes them far better candidates – and far easier to close – than associations.

That said, if you can get an association to promote products or services to their list, it can be very profitable for you. Just be clear that it usually takes more time and more hand-holding to get associations to see the light.



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February 22, 2012

Sales Presentation

In the presentation materials you say:

"I'll be responsible for directing the creation of the marketing piece, with input and approval from whoever you designate."

But I thought the List Side Company creates the email offer/introduction. It contains a link to the Product Side Company's Landing Page. The Product Side Company creates the Landing Page. So we don't create anything, right? But we help the List Side with the follow up emails?

Correct. The operative phrase here is "directing the creation". You're actually coordinating getting the copy from the product side and delivering it to the list side. This is NOT something you want to defer to them to take care of.

Finding partners for both sides of the deal

When you have your prospect set up ready to go have you ever had any problem finding someone for the other end of the deal? What's the longest it's ever taken?

It depends on which side you've signed first. If you have an agreement with the list side, it's always easiest to find partners. For example, right now I have a client with a list of 160,000 paying customers. When I approach potential partners and ask them, "How would you like to sell your product to a list of 160,000 paying customers?" the deal almost closes itself.

On the other hand, when you sign the product side first, it can take longer. The list ALWAYS has the most value and because of this, a smart company with a good list will be careful about outside products and services they offer their subscribers and customers. Plus, they have to find room in their mailing schedule. That said, if the product you're bringing them is a great fit, the deal can get done quickly.

I can't really put a number on "the longest it's ever taken" as much of that has to do with your level of experience. The more experience you have and the more knowledge you have in a given industry, the quicker deals tend to come together.

Privacy issues

How do you deal with the list side's privacy policy, etc? Is this usually a sticking point?

This is a non-issue. Privacy policies state that you won't rent, sell or share your list with anyone else. But that means allowing other companies to use your list independent of you.

Many of the ezines you subscribe to probably carry advertising. They are NOT giving their list to those advertisers, but they are allowing them access to it. However, this access is only through the list owner. And with a joint venture the access is handled in the exact same manner. The list owner mails to their own list rather than giving the product side any direct access to the list. This is in complete compliance with standard privacy policies.

Tracking revenue with more complex sales

In a JV between a luxury car dealer on the product side, where the sale of a vehicle would require a test drive and other efforts from a salesman (requiring that salesman to be compensated), what is the best way to track sales? Links can be tracked of course, but from there how do you know what happens? Is the only solution to operate on blind faith?

To further complicate things, if the dealer uses certain bargaining chips to close a sale (like oil changes or details - things that have a cost associated with them) should this be deducted from the amount I would collect commission on?

Another concern would be different vehicles having different costs and profit margins. Would I be better approaching dealers as the list side only, and pairing them with a more concretely trackable product sale? What do you do in circumstances where the potential profits are high, but the tracking is tricky?

The solution is simple. The partner who is directing their customers to the dealership should give their customers a coupon that's good for a special service or discount. Since that coupon has value which can only be redeemed by using the coupon, all sales should easily be trackable.

As for the bargaining chips necessary to close a sale, those are a cost of doing business, so they would be rightfully deducted from the amount you're paid commission on.

Prospecting sources

How do I utilize networking, presenting to associations, building relationships?

Networking is covered in the materials under the "Start Where You're Standing" prospecting process. Presenting to associations is covered in a special section on doing JVs with associations. Building relationships is a skill that is beyond the scope of this program.



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February 29, 2012

Tweaking the JV model

If I happen to come across an offline business and it turns out that their profit per sale is not that much after my percentage, couldn't I charge them a fee and train them on doing joint ventures for themselves? Couldn't that be a business all by itself, consulting and training business to do joint ventures?

Theoretically, it could be done. But there are two significant reasons why I'd advise against it. First, what materials would you use to teach them? If you use my materials, you'd be violating international copyright laws.

More importantly, why create this type of distraction for yourself? If a company's product has a lower amount of profits, you might just want to pass and save yourself the aggravation.

However, if a product has a small amount of profit, but you can sell a lot of units (take fishing lures for example) and broker deals with a lot of good lists, you could turn this into a Constellation Toll Gate. There's plenty of information on turning low profit per unit, high volume sales products into CTGs in the training materials and call recordings on this topic.

Selecting good prospects for JVs

I have a joint venture concept I would like your perspective on. I am very interested in health. One joint venture would be with a product that actually makes coffee healthy. The (product name withheld for privacy) when added to coffee makes it healthier. I would like to know how I would approach a large coffee producer/server like Starbucks with this concept effectively. The calcium distributor is an MLM.

Two major red flags come up here. First, if you've viewed the training materials, then you know that Starbucks and large multi-national corporations are not in the "sweet spot" for brokering joint ventures.

I always advise you to look for businesses that are spending around \$2,500 per month on marketing. This translates to companies that have revenue in the range of approximately \$2 million to \$15 million annually. These type of companies are small enough to move quickly, but large enough to generate sizable commissions for you.

Secondly, I personally will NOT do any business with a product that is being sold through an MLM. The MLM model is based on inflating prices significantly so all the people in the downline can be paid commissions. Essentially, you're grossly overcharging your customers to pay all the sales people and that, to me, is as unethical as you can get. There are a number of other ethical issues with MLMs, but I don't want to get off on a distracting tangent, so suffice it to say that MLMs are just bad news.

Evaluating the product side partner

Do I go with the Manufacturer/Wholesaler or go with a smaller Retailer of the same product? How do you decide?

You always go with the manufacturer/wholesaler. If a product sells for \$100, in most cases the retailer is only making half of that, so your commission would be on \$50. But with the manufacturer/wholesaler, your commission for the same product would be on the entire \$100.

How are sales proceeds collected?

The Product Side must provide the sales copy and make it available to the List side for approval and I am assuming that they would also do the tracking of the sales and arrange to deposit the incoming sales proceeds to some sort of escrow account? Would a third party with the escrow account be accountable to keep the List Side and me apprised of all activities and distribute the income? Or should I be expected to make arrangements to handle that?

Neither. The product side makes the sales and collects all proceeds from those sales. They then pay the List Side and you. This keeps it clean and simple.

So will the Product Side cheat the List Side and you? Almost never. Don't forget that the product side is usually the smaller fish in the deal and if they get caught cheating, not only would they lose any other deals you might bring them, but the bigger fish might sue them straight out of business.



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MDJV Questions and Answers

March 7, 2012

Retainer

In my mind, it makes the most sense to charge the "product" side all the fees, as they would be the most motivated and likely agree to anything, and have the least risk of any loss. However, I also understand that the list side needs to have some skin in the deal to keep them motivated in pushing the project forward. Do you agree?

Typically, I only charge the retainer to one side – and that's whoever I sign up first. But in theory, if you have your choice of one or the other, it would make the most sense to charge the retainer to the list side. Why? Because the list is always the pivotal piece and unless they mail, nothing happens for either side.

What if a business wants to pay the percentage in profits but has a problem with paying the retainer?

Then they aren't a serious prospect. If a company doesn't have some investment in the project, then the project will not be important enough to them to follow through on. Now, in all honesty, I've had a few students who have done deals and waived the retainer. For some, it worked out, but for most, it was a huge waste of their time.

Complying with ethical email practices

Wouldn't e-mailing companies be considered spam, or is e-mailing companies different under the spam laws?

First of all, I emphasize multiple times throughout the training materials that you never communicate with email unless you already have an existing relationship with a business. If you need to review this, it can be found in the sessions on prospecting.

However, if you already have an existing relationship, then it would not be considered spam to contact someone by email.

Student community

Can we set up a skype , yahoo or Facebook group to network with other students?

It already exists. Everyone received multiple emails with the information on how to join the Yahoo group and I'm including it here again:

As part of this program, I've created a private Yahoo Group Forum where you can communicate with other members, get questions answered and give feedback to other members. You can also find partners to work with on your JV deals among the members of this group by posting your request to this Forum. Please take a minute to join the group now at:

<http://groups.yahoo.com/group/mdjv-audit>

To niche or not to niche?

Do you feel it best to choose an industry specific niche for each side of the JV and cater specifically to company's within those niches (amassing reusable partners for both sides of a JV deal), or is it more important to focus on companies across multiple niches that cater to customers with the same psychographic profile?

My preference is to work with just a few niche industries. To me, that's the easiest way to build a solid track record and become known beyond your own marketing.

But in fairness, I have students who have been very successful in niche industries and others who prefer to work with clients in all industries. So I don't think there's a simple "black and white" answer to this. The best bet is to pick whichever approach you feel would be the best use of your strengths, interests and time.



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MDJV Questions and Answers

March 21, 2012

Presentation math

In the section on the sales presentation for the Product Side you say 30% will take up an offer, but later on you then refer to a 5% conversion rate. Can you explain please?

I don't recall where I mentioned the 5%, but in actuality the two figures are quite similar. The 30% in the sales presentation refers to a sales increase of 30% over the period the product would normally be sold. So if the JV consists of two mailings, three days apart, the period of those sales will be about a week.

If the product side would normally see \$10,000 in sales from their own marketing efforts, they should then see at least \$3,000 in additional sales from the Joint Venture. Now, if you do the math, in order for each side to realize \$3,000, the total sales must be \$7,500. Each side's share of 40% would come to \$3,000 and your 20% would be \$1,500. (By the way, I've used the numbers in this example to make them easy to follow).

In actuality, the amount of sales will depend on the size of the list. That's why you see in the majority of the testimonials from my own clients, the sales increase – for the period the sale covers – usually ranges from 60% to as much as 400%. Put simply, if the product is good and it's being sold to a quality list that hasn't had much exposure to that product, sales will often be exceptional.

OK, now let's talk about the 5% conversion rate. I use this figure primarily for people who are obsessed with open rates, click through rates and conversion rates. Typically, a good offer to your own list will convert at somewhere between one-half of 1% and 2%. But as I just mentioned, when a quality list is exposed to a quality product by a list owner who they trust, sales usually convert at about 5%.

So using either metric, your clients come out far ahead of the game by participating in joint ventures.

Targeting the right kind of partners

I had a company decide against working with me because their profit margin was only 9%. She said there was not enough profit to split. Should we generally avoid low profit margin companies?

I've covered this extensively in the materials, but I'll be happy to answer it again. Ideally, you want a product that sells extremely well and has a high profit margin.

That said, if a product is extremely attractive and the sales volume will be high, the profit margin could be lower. But 9% is very low and I would avoid that. I usually look for a profit margin of 40% or greater.

However, don't confuse the profit margin of a product with the company's annual profit (which many clients do). For example, a company that manufactures fishing lures may have an operational profit of 15%. But if a lure sells for \$10 in the stores and the store pays a "keystone" of \$5 to the manufacturer, the profit margin is actually 75% because the typical manufacturing price would be \$2.50 (half of what the manufacturer charges the retailer).

Business naming/selecting your title

What's a good name to use for my company if I'm starting out new? Strategic Partnership Consultant (you mentioned this) Strategic Joint Venture Consultant?

First of all, the two items you mention are titles, not business names. I prefer "Strategic Partnership Consultant" or even "Profit Growth Consultant" because many people still don't understand what a joint venture is.

As for business names, I can't give you a specific recommendation. But the guidelines I've always used have been to keep it simple and avoid trying to sound overly clever.

Company web site

Do you see any downside in setting up a small (1-2 page) website to be used to generate more potential clients and to refer potential clients for some general background information on how "deal making" processes would benefit them? These days it seems like any company that doesn't have a website is barely considered to be in business.

No, I don't see any downside at all. However, at the same time, there's no requirement to have a web site in order to broker joint ventures. Many of my successful students didn't have a web site to start off with. And even on my own web site, I didn't include any material for years on joint ventures even though brokering them was a significant part of my business.

So it's really up to you. If you can put up a web site quickly without it taking much time away from the core process of doing your joint venture deals, then by all means, go ahead and do so. But don't feel that you must have a web site before you can start brokering JVs, because it certainly is not a requirement.



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March 28, 2012

Companies with many similar products

Let's say you had a product company lined up for a deal, and that company had many similar products or styles, like shoes for instance. Would it be a good idea to offer Gift Cards? Because otherwise the offer would be just their 3 top selling shoes, and that might eliminate too many customers who don't like those 3 particular shoes. I don't like Gift Cards because there is no explicit product tied to it, no urgency, etc.

I agree with you, gift cards do very little to stimulate immediate action. However, there is an excellent reason why their 3 top selling shoes are their best sellers – because people like them more than all their other styles. So you'd still be generating maximum interest by featuring those 3 styles.

The follow-up process

I've had a couple companies request that I send them something to look at. And I've had companies that I cannot get a hold of anyone over the phone, so I've just sent them a PDF describing the marketing strategy by email. Am I just wasting my time doing this?

There are two different scenarios here. First, I *never* send any information by email if I can't get in touch with someone. I simply keep following up until I get them.

Second, if someone requests more information on what you do, you could send them a description of the marketing strategy as you suggested. If you choose to do this, I'd do a quick online search for "results of joint ventures" and include some information on how beneficial JVs can be citing the studies you've found.

Questions about your track record

I've had a couple companies ask me for samples of other offers that I've done for other companies. They want to see some kind of examples of the work that we do. How would you respond?

This is another two-part answer ☺. First of all, one of the main reasons I recommend the "Start Where You're Standing" approach to prospecting is that you avoid getting bogged down with

this potential stumbling block. Friends or business associates who you already know are relying on you rather than your track record, so you avoid this situation.

However, if you're dealing with companies who don't know you at all, my approach when I started out was to be totally honest. I'd say something like, "You would be my first client and since I've been thoroughly trained in this process, you would be getting my undivided attention". Now, to be perfectly honest with you, the first couple of prospects who I responded to so candidly declined to work with me. But once I got my first client, I then had a track record I could build on with others. So persistence is the key here.



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MDJV Questions and Answers

April 4, 2012

Marketing materials for your clients' campaigns

If we're working with clients that have a campaign running multiple times per year, do you think we should model it, and test it with other clients, or just stick to proven marketing, which our clients provide?

In other words, do you focus 100% on JVs, using existing campaigns, and just let them run, or do you experiment, by testing out campaigns?

Let me answer that question in two parts.

Part 1 – No, you never want to do this type of testing between clients. First of all, you want to use only proven campaigns that you know work for the specific product you're offering. Why? Because that's what's going to make everyone involved the most money.

In addition, what if the unproven campaign fails? Now you've created a situation where you're likely to lose both the list side and the product side as clients.

Part 2 – A core principle of MDJV is that *only* you pair a company with a good list with another company with a good product and a good sales piece for that product. This is the only way to know with almost complete certainty that the deal will be as profitable as possible. Otherwise, you're introducing a high level of risk and that's not a component you want to add to an already successful recipe.



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MDJV Questions and Answers

April 11, 2012

Competition in the marketplace

How are companies like Groupon, TeamBuy, etc affecting things out there for us? There seems to be a lot of email offers. Is it saturating the market and hurting us? I had a prospect say she was worried about sending email offers to her list, since there seemed to be a lot of other offers in general flying around.

While this type of thinking appears to make sense, in actuality it couldn't be further off the mark. First, while it's true that open rates are going down for email, email still continues to be the single most effective method of online marketing.

Second, competition is actually a sign that you're in a good market or using the right media. The last thing you would want to do is enter a market where no one else is emailing that market. Because that would prove that the market itself is practically worthless.

Let me give you another example that will illustrate what I mean. When large chain clothing stores are looking for locations to open new stores, what do you think the top characteristic is that they look for? It's whether or not there are *other* large chain clothing stores in the immediate vicinity. Because they know that if other clothing stores are doing well in those areas, they stand a strong chance of doing well too.

There will always be other people using email marketing... using social media... using video marketing... advertising in newspapers and magazines... running commercials on radio and television... and the same for any form of media. That actually proves that it's working, not that it's something to avoid.

Answering objections in during the presentation

I've had few prospects tell me they were concerned about sending offers to their list. Should we just continue to tell them that we'll carefully scrutinize and select what we offer them, or is there something else we could say here? Also, would you suggest that they use 2 email lists? One for their regular affairs, and a new one for their email offers - one that their customers can unsubscribe from. That way even if they unsubscribe to the offers list, they would still be on the original list.

Yes, you absolutely want to emphasize that you'll carefully scrutinize all potential partners. But don't forget that the List Side has complete approval over who they mail for and who they don't. So realistically, there's very little chance of them mailing for a low-quality partner.

In terms of maintaining two separate lists, the logistics wouldn't work. You'd have to sub-list people to a separate list every time you were getting ready to send a new offer. And since most reputable companies use a double opt-in process, your results would be relatively low and it would add a significant amount of unnecessary complexity.



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MDJV Questions and Answers

April 18, 2012

Constellation tollgate mailing schedule

How do I arrange the mailing schedules for each participant in a CTGJV? Let's say you have 8 companies in the JV, where each one has a client list AND a product or service relevant to every other company list (non-competitive but complementary). How do you setup the mailing schedule so everyone gets their turn for promotion in a reasonable time frame?

You simply set up an 8-month rotation where you mail for one company's product each month. Don't forget, every company is making money every month, so the order of when each company's product is promoted really isn't an issue.

I can tell you from having my own company participate in a few Constellations, that the monthly checks keep everyone happy, whether or not it's their product being promoted that month.



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MDJV Questions and Answers

May 5, 2012

Clickbank as a JV resource

About six months ago, Clickbank introduced a contract which is ideal for JV Brokers as it allows for the sale proceeds to be split 3 ways allowing for the broker to be paid directly from Clickbank and thereby automating the process. I was wondering what your opinion would be of this model of JV Brokering and if you had any direct experience of it?

Unfortunately, since I have no experience with Clickbank, I can't really comment on this in an educated way. My only caution would be to do the due diligence by researching each vendor whose product or list you want to represent. Check out their site, do a search to see if there have been many complaints about them, and visit their Facebook page to help you determine if they're the kind of client you'd want to have.



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MDJV Questions and Answers

May 16, 2012

Fedex delivery

When you have a holiday on a Monday do you still stick with the same mailing schedule for prospecting by having FedEx letter arrive on Tuesday or do you adjust the schedule for that week or skip that week altogether?

It depends on the holiday. If it's a minor holiday that most businesses don't close for, I go ahead with the normal delivery schedule of Tuesday. But if it's a major holiday and the majority of businesses will be closed, then I postpone until the following week.

Competitor definition

I'm a little unsure of when a particular product or service is in direct competition with your client's product. Could you give an example of each situation to help make that clearer for me?

Surely. If I sell a training program for weight lifting with kettle bells and another company sells a different training program for weight lifting with kettle bells, they are in direct competition. Unfortunately, many companies who are in direct competition with each other will not co-promote for each other. That's a serious mistake because people who are devoted to kettle bell weight lifting will buy similar products from many sources. So they could both gain more sales.

Now if I sell a training program for weight lifting with kettle bells and another company sells a training program on using an exercise ball to build your abs, that would be a similar market, but NOT a direct competitor. In general, it's a lot easier to broker deals between companies that don't directly compete with each other.

When sending the email to the list side are you saying that we should use an existing email provided by the client and have a copywriter create additional follow up emails if necessary or that we should use the templates provided by you by modifying the intro, testimonial, closing format using the testimonials provided by the client.

You ALWAYS use the emails provided by the client. That's the only way to know for certain that you're using an email that has been proven to work in selling that product. The follow-up emails are simply reminders and you can easily do those yourself without paying for the services of a copywriter.



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MDJV Questions and Answers

May 30, 2012

Customizing the product side's email

In the session on implementation, you say to always use the client's email but I'm not sure exactly what alterations I need to make to it, if any, to customize it for the list side. It needs some kind of introduction from the list side client to his list I assume. Could you please clarify exactly what, if any, modifications need to be made to the product side's email before it is sent to the list side or should it be used exactly in its current format?

You want to use the email in as close to its original form as possible. Because that's what has been getting results for the client side. The way I prefer to use it is to include a short introduction something like this:

I recently discovered a powerful new method of improving your putting skills. People are raving about how quickly they've taken 3 to 5 strokes off their game in just a couple of weeks.

Rather than give you the details myself, I've pasted in the exact information my friends at Perfect Putting use to describe it to their best customers. Here's to becoming a master putter!

>>> original email goes here

Requesting testimonials

After you've done a successful campaign, for a client what process do you use to get a testimonial from the client to use in your future approach letters? Do you try to interview the client or do you ask for a written response?

I always ask for it by email. While interviews are great, most people are so busy, they can barely find the time to give you a written response. I ask them to put together a few sentences on the results they got, how long it took them, and how this compares to their other marketing efforts.

Also, most of my testimonials come in naturally. When you've produced an excellent result for a client, they usually send you an email thanking you and detailing the results they produced. I'll take those results and edit them, primarily to make them shorter, then ask for permission to

use it in my promotional materials. I've rarely had anyone decline to let me use their results in this way.